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DEPARTMENT OF COMMERCE

International Trade Administration

(A-821-824, A-520-808)

Certain Carbon and Alloy Steel Wire Rod from the Russian Federation and the United Arab Emirates: Affirmative Preliminary Determinations of Sales at Less Than Fair Value, and Affirmative Preliminary Determination of Critical Circumstances for Imports of Certain Carbon and Alloy Steel Wire Rod from the Russian Federation

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce

SUMMARY: The Department of Commerce (the Department) preliminarily determines that imports of carbon and alloy steel wire rod (wire rod) from the Russian Federation (Russia) and the United Arab Emirates (the UAE) are being, or are likely to be, sold in the United States at less than fair value (LTFV). The period of these investigations (POI) is January 1, 2016, through December 31, 2016. Abinsk Electric Steel Works Ltd. (Abinsk) and JSC NLMK-Ural (NLMK Ural) are the mandatory respondents in the Russia investigation. Emirates Steel Industries PJSC (Emirates Steel) is the mandatory respondent in the UAE investigation. The estimated weighted average dumping margins of sales at LTFV are shown in the “Preliminary Determinations” section of this notice. Interested parties are invited to comment on these preliminary determinations.

DATES: Applicable[INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*.]

FOR FURTHER INFORMATION CONTACT: Kaitlin Wojnar 202-482-3857 (Russia), or Carrie Bethea at 202-482-1491 (UAE), AD/CVD Operations, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230.

SUPPLEMENTARY INFORMATION:

Background

The Department published the notice of initiation of these investigations on April 26, 2017.¹ For a complete description of the events that followed the initiation of these investigations, *see* the Preliminary Decision Memorandum dated concurrently with these determinations and hereby adopted by this notice.² A list of topics included in the Preliminary Decision Memorandum is included as Appendix II to this notice. The Preliminary Decision Memorandum is public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>, and to all parties in the Central Records Unit, room B8024 of the main Department of Commerce building. In addition, a complete version of the Preliminary Decision Memorandum can be found at <http://enforcement.trade.gov/frn/>. The signed Preliminary Decision Memorandum and the electronic versions of the Preliminary Decision Memorandum are identical in content.

Scope of the Investigations

The products covered by these investigations are certain hot-rolled products of carbon steel and alloy steel, in coils, of approximately round cross section, less than 19.00 mm in actual solid cross-sectional diameter (wire rod). Interested parties filed comments regarding the scope of the investigations. On August 7, 2017, we issued a Preliminary Scope Decision Memorandum, which addressed these comments and established a briefing schedule for scope-

¹ *See Carbon and Alloy Steel Wire Rod from Belarus, Italy, the Republic of Korea, the Russian Federation, South Africa, Spain, the Republic of Turkey, Ukraine, United Arab Emirates, and United Kingdom: Initiation of Less-Than-Fair-Value Investigations*, 82 FR 19207 (April 26, 2017) (*Initiation Notice*).

² *See* Memorandum, "Decision Memorandum for the Preliminary Determination in the Less Than Fair Value Investigation of Carbon and Alloy Steel Wire Rod from the Russian Federation and the United Arab Emirates," dated concurrently with this notice (Preliminary Decision Memorandum).

related issues.³ As a result of the analysis contained therein, the scope language is unchanged from that in the *Initiation Notice*.⁴ For a full description of the scope of these investigations, *see* the “Scope of the Investigations,” in Appendix I.

Methodology

The Department is conducting these investigations in accordance with section 731 of the Tariff Act of 1930, as amended (the Act). Pursuant to section 776(a) of the Act, the Department preliminarily relied upon facts otherwise available to assign an estimated weighted-average dumping margin to the mandatory respondents from Russia, Abinsk and NLMK Ural, and the mandatory respondent from the UAE, Emirates Steel, because these respondents did not timely respond to the Department’s antidumping duty questionnaire. *See* Preliminary Decision Memorandum for a complete explanation of the methodology and analysis underlying our preliminary application of adverse facts available.

All-Others Rate

Sections 733(d)(1)(A)(ii) and 735(c)(5)(A) of the Act provide that in the preliminary determination the Department shall determine an estimated all-others rate for all exporters and producers not individually investigated, which shall be an amount equal to the weighted average of the estimated weighted-average dumping margins established for exporters and producers individually investigated, excluding any zero and *de minimis* margins, and any margins determined entirely under section 776 of the Act. We cannot apply the methodology described in section 735(c)(5)(A) of the Act to calculate the “all-others” rate, as the margins in these preliminary determinations were both calculated under section 776 of the Act. In cases where no

³ *See* Memorandum, “Carbon and Alloy Steel Wire Rod from Belarus, Italy, the Republic of Korea, the Russian Federation, South Africa, Spain, the Republic of Turkey, Ukraine, the United Arab Emirates, and the United Kingdom: Scope Comments Decision Memorandum for the Preliminary Determinations,” August 7, 2017 (Preliminary Scope Decision Memorandum).

⁴ *Id.* at 20.

weighted-average dumping margins other than zero, *de minimis*, or those determined entirely under section 776 of the Act have been established for individually examined entities, in accordance with section 735(c)(5)(B) of the Act, the Department averages the margins calculated by the petitioners in the petition and applies the result to “all-other” entities not individually examined.⁵

With respect to Russia, in the Petition,⁶ the petitioners calculated six margins.⁷ Consistent with our practice, we assigned as the “all-others” rate, the simple average of the six dumping margins provided in the Petition, which is 436.76 percent.⁸ With respect to the UAE, in the Petition,⁹ the petitioners calculated only one margin. Therefore, we assigned as the “all-others” rate the only margin in the Petition, which is 84.10 percent.¹⁰

Affirmative Preliminary Determination of Critical Circumstances for Exporters and Producers of Wire Rod from Russia

On July 6, 2017, the petitioners filed a timely critical circumstances allegation, pursuant to section 733(e)(1) of the Act and 19 CFR 351.206, alleging that critical circumstances exist with respect to imports of wire rod from Russia.¹¹ The Department preliminarily determines that

⁵ See *Notice of Preliminary Determination of Sales at Less Than Fair Value: Sodium Nitrite from the Federal Republic of Germany*, 73 FR 21909, 21912 (April 23, 2008), unchanged in *Notice of Final Determination of Sales at Less Than Fair Value: Sodium Nitrite from the Federal Republic of Germany*, 73 FR 38986, 38987 (July 8, 2008), and accompanying Issues and Decision Memorandum at Comment 2 (*Sodium Nitrite from Germany Final Determination*).

⁶ See the Petitions for the Imposition of Antidumping Duties on Carbon and Alloy Steel Wire Rod from Belarus, Italy, the Republic of Korea, the Russian Federation, the Republic of South Africa, Spain, Turkey, Ukraine, United Arab Emirates, and the United Kingdom, dated March 28, 2017 (the Petition).

⁷ *Id.*

⁸ *Id.*

⁹ *Id.*

¹⁰ See *Certain Oil Country Tubular Goods From Thailand: Preliminary Determination of Sales at Less Than Fair Value, and Postponement of Final Determination*, 79 FR 10487 (February 25, 2014), and accompanying Preliminary Decision Memorandum, unchanged in *Certain Oil Country Tubular Goods From India, the Republic of Korea, Taiwan, the Republic of Turkey, and the Socialist Republic of Vietnam: Antidumping Duty Orders; and Certain Oil Country Tubular Goods From the Socialist Republic of Vietnam: Amended Final Determination of Sales at Less Than Fair Value*, 79 FR 53691 (September 10, 2014).

¹¹ See Letter to the Secretary from Petitioners re: Carbon and Alloy Steel Wire Rod from Russia, South Africa,

critical circumstances exist with respect to imports of wire rod from Russia for Abinsk, NLMK Ural, and all other exporters and producers. For a full description of the methodology and results of the Department's analysis, *see* the Preliminary Decision Memorandum.¹²

Preliminary Determination

The Department preliminarily determines that the following weighted-average dumping margins exist:

Russia

Exporter/Producer	Weighted-Average Margin
Abinsk Electric Steel Works Ltd.	756.93 percent
JSC NLMK-Ural	756.93 percent
All-Others	436.80 percent

UAE

Exporter/Producer	Weighted-Average Margin
Emirates Steel Industries PJSC	84.10 percent
All-Others	84.10 percent

Suspension of Liquidation

In accordance with section 733(d)(2) of the Act, we will direct U. S. Customs and Border Protection (CBP) to suspend liquidation of all entries of wire rod from Russia and the UAE, as described in the “scope of the investigations” section entered, or withdrawn from warehouse, for

Spain, Turkey, and the United Kingdom: Critical Circumstances Allegations, dated July 6, 2017.

¹² See Preliminary Decision Memorandum at 10.

consumption on or after the date of publication of this notice in the *Federal Register*. At such time, we will also instruct CBP, pursuant to section 733 (d)(1)(B) of the Act and 19 CFR 351.205(d), to require a cash deposit equal to the margins indicated in the chart above.¹³

In addition, section 773(e)(2) of the Act provides that, given an affirmative determination of critical circumstances, any suspension of liquidation shall apply to unliquidated entries of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the later of (a) the date which is 90 days before the date on which the suspension of liquidation was first ordered, or (b) the date on which notice of initiation of the investigation was published. The Department preliminarily finds that critical circumstances exist for imports of subject merchandise from Russia produced by Abinsk, NLMK Ural, and all other exporters and producers not individually examined. Therefore, in accordance with section 733(e)(2)(A) of the Act, the suspension of liquidation shall also apply to unliquidated entries of merchandise from the Russian exporters/producers identified in this paragraph that were entered, or withdrawn from warehouse, for consumption on or after the date which is 90 days before the publication of this notice.

The suspension of liquidation will remain in effect until further notice.

Verification

Because the mandatory respondents in these investigations did not provide the information requested and the Department preliminarily determines these respondents to have been uncooperative, the Department will not conduct verifications.

Public Comment

¹³ See *Modification of Regulations Regarding the Practice of Accepting Bonds During the Provisional Measures Period in Antidumping and Countervailing Duty Investigations*, 76 FR 61042 (October 3, 2011).

Pursuant to the schedule established in the Preliminary Scope Decision Memorandum, case briefs pertaining to the Department's preliminary scope determinations may be submitted no later than September 6, 2017.¹⁴ Rebuttal scope briefs, limited to issues raised in the scope case briefs, may be submitted no later than September 13, 2017.¹⁵ For all scope issues, parties must file separate but identical submissions on the records of all of the ongoing antidumping and countervailing duty wire rod investigations.¹⁶

Case briefs or other written comments pertaining to these preliminary determinations for Russia and UAE may be submitted to the Assistant Secretary for Enforcement and Compliance no later than 30 days after the date of publication of these preliminary determinations.¹⁷ Rebuttal briefs, limited to issues raised in case briefs, may be submitted no later than five days after the deadline date for case briefs.¹⁸ Pursuant to 19 CFR 351.309(c)(2) and (d)(2), parties who submit case briefs or rebuttal briefs in these proceedings are encouraged to submit with each argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing, limited to issues raised in the case and rebuttal briefs, must submit a written request to the Assistant Secretary for Enforcement and Compliance, U.S. Department of Commerce. All documents must be filed electronically using ACCESS. An electronically-filed request must be received successfully in its entirety by ACCESS by 5:00 p.m. Eastern Time, within 30 days after the date of publication of this notice.¹⁹ Requests should contain the party's name, address, and telephone number, the number of participants, and a list of the issues to be discussed. If a request for a

¹⁴ See Preliminary Scope Decision Memorandum at 4.

¹⁵ *Id.*

¹⁶ *Id.*

¹⁷ See 19 CFR 351.309(c)(1)(i); see also 19 CFR 351.303.

¹⁸ See 19 CFR 351.309(d); see also 19 CFR 351.303 (for general filing requirements).

¹⁹ See 19 CFR 351.310(c).

hearing is made, the Department intends to hold the hearing at the U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230, at a time and date to be determined. Parties should confirm by telephone the date, time, and location of the hearing two days before the scheduled date.

U.S. International Trade Commission Notification

In accordance with section 733(f) of the Act, we are notifying the U.S. International Trade Commission (ITC) of our affirmative preliminary determination of sales at LTFV. If our final determination is affirmative, the ITC will determine before the later of 120 days after the date of this preliminary determination or 45 days after our final determination whether these imports are materially injuring, or threaten material injury to, the U.S. industry.

This determination is issued and published in accordance with sections 733(f) and 777(i)(1) of the Act and 19 CFR 351.205(c).

Dated: September 5, 2017

Gary Taverman
Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations
performing the non-exclusive functions and duties of the
Assistant Secretary for Enforcement and Compliance

Appendix I

Scope of the Investigations

The merchandise covered by these investigations are certain hot-rolled products of carbon steel and alloy steel, in coils, of approximately round cross section, less than 19.00 mm in actual solid cross-sectional diameter. Specifically excluded are steel products possessing the above-noted physical characteristics and meeting the Harmonized Tariff Schedule of the United States (HTSUS) definitions for (a) stainless steel; (b) tool steel; (c) high-nickel steel; (d) ball bearing steel; or (e) concrete reinforcing bars and rods. Also excluded are free cutting steel (also known as free machining steel) products (*i.e.*, products that contain by weight one or more of the following elements: 0.1 percent or more of lead, 0.05 percent or more of bismuth, 0.08 percent or more of sulfur, more than 0.04 percent of phosphorous, more than 0.05 percent of selenium, or more than 0.01 percent of tellurium). All products meeting the physical description of subject merchandise that are not specifically excluded are included in this scope.

The products under investigation are currently classifiable under subheadings 7213.91.3011, 7213.91.3015, 7213.91.3020, 7213.91.3093; 7213.91.4500, 7213.91.6000, 7213.99.0030, 7227.20.0030, 7227.20.0080, 7227.90.6010, 7227.90.6020, 7227.90.6030, and 7227.90.6035 of the HTSUS. Products entered under subheadings 7213.99.0090 and 7227.90.6090 of the HTSUS also may be included in this scope if they meet the physical description of subject merchandise above. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this proceeding is dispositive.

Appendix II

List of Topics Discussed in the Preliminary Decision Memorandum:

- I. Summary
- II. Background
- III. Period of Investigation
- IV. Scope Comments
- V. Scope of the Investigations
- VI. Application of Facts Available and Use of Adverse Inference
- VII. Affirmative Preliminary Determination of Critical Circumstances for Exporters and Producers of Wire Rod from Russia
- VIII. Conclusion

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